Revision in prices of petroleum products

*30. SHRI RAJKUMAR DHOOT:
SHRI JAI PARKASH AGGARWAL:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that there has been wide spread agitations against the steep hike in price of petrol, diesel and CNG effective June, 2006;

(b) whether Government have assessed its impact on the prices of essential commodities;

(c) if so, the details thereof and the action proposed to be taken by Government to ensure that prices are not unduly increased by traders on the pretext of hike in rates of petroleum products;

(d) whether Government have considered other options such as reduction in excise duty, sales tax etc. so that household budget of common man is not badly affected; and

(e) if not, the reasons therefor?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) Government is sensitive to public concern over increase of consumer price of petroleum products and has taken adequate care to ensure that the impact is minimal on the common man and the weaker sections of society.

The prices of crude oil in the international market have risen very steeply in recent years resulting in an increase of petroleum product prices for consumers. The Indian basket average $ 66.55/barrel in June, 2006 and recorded an all time high of $ 73.96/bbl on 14.7.2006, compared to the price level of $ 23.31/bbl in March, 2002. In view of the fact that 76% of our crude requirement is met through imports, the escalating international prices necessitated a corresponding price increase in petroleum products. However, Government took a decision not to increase the prices of PDS kerosene and LPG to protect the interests of the common man and the weaker sections of society. The prices of petrol, diesel and CNG have been increased moderately.

(b) The impact of fuel prices on inflation has been assessed as marginal, considering that the weights of petrol and diesel in the Wholesale Price Index (WPI) are only 0.89% and 2.02% respectively.

(c) Government of India is keeping a close watch and taking measures within its jurisdiction to ensure adequate availability of essential commodities. The State Governments have also been urged to do the same.

(d) and (e) Yes, Sir. Government has taken all possible measures to ensure that the household budget of the common man is not badly affected.

Government adopted the principle of equitable burden sharing amongst three stakeholders, namely, the consumers, the PSU oil companies and the Government to protect the interest of the common man and the vulnerable sections of society. Government alongwith oil companies has decided to absorb 87.5% of the burden of the escalated international prices of crude oil, amounting to Rs. 73,500 crores, leaving only a balance of 12.5 to be borne by the consumers by way of increase in petrol and diesel prices.

Government has reduced the customs duty on petrol and diesel from 10% to 7.5% in June 2006. Based on the request made to the State Government to moderate the impact of price rise on the common man, ten State Governments, namely, Andhra Pradesh, Delhi, Goa, Haryana, Himachal Pradesh, Maharashtra, Tamil Nadu (diesel only), Uttaranchal, Manipur and Assam, have reduced the sales tax on petrol and diesel to reduce the burden of the recent price hike.

Sale of kerosene at higher rates

*31.SHRI DARA SINGH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are aware that a large number of petrol pump owners and kerosene dealers in the country are indulging in irregularities;

(b) if so, the number of dealers who have been punished during the last three years, year-wise, till date;

(c) whether a number of dealers of kerosene oil are also found selling it at a higher rate in comparison to the rates prescribed by Government; and

(d) if so, the number of such dealers detected so far and the action taken against them, till date?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) The possibility of adulteration of petrol/diesel by some unscrupulous elements cannot be ruled out due to the large price difference between petrol/diesel and various adulterants available in the market which could be use for adulteration.